

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

NOTIFICATION

Islamabad, 29th August , 2008.

S. R. O. No.906(I)/2008. - *** In exercise of powers conferred by Section 29A of the Listed Companies (Substantial Acquisition of Voting Shares and Take-Overs) Ordinance, 2002 (CIII of 2002), the Securities and Exchange Commission of Pakistan in order to carry out the purposes of the Listed Companies (Substantial Acquisition of Voting Shares and Take-Overs) Ordinance, 2002 and incidental and connected matters, hereby makes the following Regulations.

Chapter I

Preliminary

1. Short title and commencement. – (1) These Regulations shall be called the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2008.

(2) They shall come into force at once.

2. Definitions. – (1) In these Regulations, unless there is anything repugnant in the subject or context, –

(a) **“acceptable security”** means shares of KSE 30 index companies, government securities and minimum “AA” rated TFCs of listed companies;

(b) **“acceptance period”** means the period commencing on the fifty-fourth day of the public announcement of offer and closing with the close of the public offer which shall not be later than the sixtieth day from the date of the public announcement of offer;

- (c) **“date of public announcement”** means the date on which the public announcement is published in accordance with section 9 of the Ordinance;
- (d) **“offer letter”** means the letter to be issued by the acquirer to the shareholders whose names appear on the register of members of the target company as on the date of book closure, the custodians of Global Depository Receipts, the custodians of American Depository Receipt and holders of convertible securities (where the period of conversion falls within the offer period) in pursuance of section 13 of the Ordinance and in accordance with the specifications provided in schedule I;
- (e) **“Ordinance”** means the Listed Companies (Substantial Acquisition of Voting Shares and Take-Overs) Ordinance, 2002;
- (f) **“schedule”** means the schedules attached to these Regulations; and
- (g) **“securities”** shall have the same meaning as assigned to the term “security” under the Securities and Exchange Ordinance, 1969 (XVII of 1969);

(2) Words and expressions used but not defined in these Regulations shall have the same meaning as assigned to them in the Ordinance, the Securities and Exchange Ordinance, 1969 (XVII of 1969), the Companies Ordinance, 1984 (XLVII of 1984), Central Depositories Act, 1997 (XXIX of 1997) or the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997).

3. Eligibility. – (1) A person who is a shareholder of the target company as on the date of closure of public offer shall be eligible to participate in the public offer.

(2) All Global Depository Receipts holders, American Depository Receipts holders entitled to participate in the public offer as on the date of closure of public offer and convertible security holders (where the period of conversion falls within the offer period) shall be eligible to participate in the public offer.

Chapter II

Exempted transactions

4. Mandatory disclosure for exempted transactions – (1) An acquirer who acquires voting shares pursuant to clauses (a), (b), (c), (d), (e), (g), (i), (j), (m), and (o) of sub-section (1) of Section 3 of the Ordinance beyond the thresholds prescribed under the Ordinance, shall within two working days of the acquisition of shares make a disclosure of the acquisition to the target company, the stock exchanges on which the voting shares of the target company are listed and the Commission.

(2) The disclosure required to be made under Regulation 4(1) shall contain the information as prescribed in schedule II.

Chapter III

Disclosures and Public Announcements

5. Disclosure by the target company.– (1) The target company shall immediately, in writing, inform the stock exchange and the Commission, -

- (a) when a firm intention to acquire control or voting shares of the target company, beyond the thresholds prescribed under section 5 or section 6 of the Ordinance, is notified to the board of directors of the target company;
- (b) when the target company is the subject of rumor and speculation or there is undue movement in its share price and there are reasonable grounds for concluding that it is the potential acquirer's actions which has led to the situation; or
- (c) when negotiations or discussions are about to commence to induct people for acquiring control of the target company.

(2) The stock exchange upon being informed by the target company under Regulation 5(1) shall make the information available on the same day to the shareholders of the target company and prospective investors by placing the information on its website, posting it on its notice board, notification on the automated information system and making an announcement on the house of the exchange.

(3) If any information given by the target company under this Regulation is found to be false and the target company gains a benefit from the false information, the target company shall be liable to a fine of upto Rupees thirty million.

6. Public announcement of intention. – (1) Any person intending to acquire voting shares of the target company which will attract the provisions of section 5 or section 6 of the Ordinance shall, after careful and responsible consideration, make a public announcement of intention.

(2) The public announcement of intention to purchase voting shares or control of the target company shall be published in accordance with section 9(1) of the Ordinance and a copy thereof shall be submitted, through the manager to the offer, to the Commission, the target company and the stock exchanges on which the voting shares of the target company are listed at least two working days before its issuance in newspapers.

(3) Before an acquirer, -

- (a) enters into negotiations for a share purchase agreement;
- (b) in the case of a company, passes a board resolution;
- (c) starts raising funds; or
- (d) commences a due diligence process to evaluate the share price of the target company or assess the viability of the acquisition, whether through a consultant or otherwise;

for the purpose of the acquisition of voting shares beyond the thresholds prescribed under section 5 or section 6 of the Ordinance or control of the target company, the acquirer shall make a public announcement of intention.

(4) The public announcement of intention to acquire the shares of the target company shall contain the information as prescribed in schedule III.

(5) Where a person makes a public announcement of intention to acquire voting shares or control of a target company in order to deceive another person, or to induce or influence another person to act in a particular manner or withdraws the public announcement of intention without reasonable cause or reason, such person shall be liable to a fine of upto Rupees thirty million.

(6) Where any person makes a public announcement of intention and does not subsequently make the public announcement of offer as required under Regulation 8 or public announcement of withdrawal such person may be debarred by the Commission from making any further public offers for the acquisition of voting shares of that particular listed company or any listed company.

7. Restrictions on the target company after the public announcement of intentions

is made. – (1) Where a public announcement of intention has been made by the acquirer, the board of directors of the target company shall not till the acquirer withdraws the public announcement of intention under Regulation 17 or the commencement of the offer period, -

- (a) sell, transfer, or otherwise dispose of or enter into an agreement for sale, transfer, or for disposal of the undertaking or a sizeable part thereof, not being sale or disposal of assets in the ordinary course of business of the target company or its subsidiaries;
- (b) encumber any asset of the company or its subsidiary unless otherwise in the ordinary course of business;
- (c) issue any right or bonus voting shares;
- (d) enter into any material contract; and
- (e) appoint an additional director or fill in any casual vacancy on its board of directors occurring during the period.

8. Public announcement of offer. – (1) A public announcement of offer shall be made by the acquirer within one hundred and eighty days of making the public announcement of intention to acquire voting shares or control of a target company:

Provided that the Commission may upon the request of the acquirer and after being satisfied that the request is reasonable, extend the aforementioned time period by a maximum of ninety days.

(2) The public announcement of offer shall contain the information as prescribed in schedule IV.

(3) The stock exchange shall make the information about the public announcement of offer available, on the same day, to the shareholders of the target company and prospective

investors by placing the information on its website, posting it on its notice board, notification on the automated information system and making an announcement on the house of the exchange.

(4) The public announcement of offer shall be submitted to the Commission along with the document prescribed in schedule VII and a non-refundable processing fee of Rs.500,000/-.

Chapter IV

Public Offer

9. Book closure. – (1) The target company shall announce its book closure on the thirty-sixth day of the public announcement of offer, to determine the eligibility of persons to receive the offer letter.

(2) The books of the target company shall remain closed for a period of seven days after the date of book closure.

10. Spot trading of shares of the target company. – The shares of the target company shall be traded on spot basis from the twenty-ninth day till the thirty-fifth day of the public announcement of offer.

11. List of Members. – (1) The target company shall provide an updated and certified list of its members to the acquirer on the next day of the expiry of the book closure to enable the acquirer to send the offer letters, through courier, as required under sub-section (2) of section 13 of the Ordinance.

(2) The acquirer shall, within two working days of the receipt of list of members from the target company, issue offer letters to the members of the target company.

12. Date of closure of public offer.– The date of closure of public offer for the acquisition of voting shares of the target company by the acquirer shall be sixtieth day from the date of public announcement of offer:

Provided that where an addendum or corrigendum to the public announcement of offer is published by the acquirer, whether on the acquirer's own motion or on the direction

of the Commission, the offer period shall re-commence from the date of the publication of the addendum or the corrigendum as the case may be.

Chapter V

Offer pricing, number of shares to be acquired and payments

13. Minimum offer price. – (1) If the shares are frequently traded the public announcement of offer to acquire shares under section 5 or section 6 of the Ordinance shall be at the price which is highest amongst the following, -

- (a) the negotiated weighted average price under a share purchase agreement for the acquisition of voting shares of the target company;
- (b) the highest price paid by the acquirer or persons acting in concert with the acquirer for acquiring the voting shares of target company during six months prior to the date of public announcement of offer;
- (c) the average share price of target company as quoted on the stock exchange, with the highest trading volume, during the last six months preceding the date of announcement of public offer;
- (d) the average share price of target company as quoted on the stock exchange during, with the highest trading volume, four weeks preceding the date of public announcement of intention; and
- (e) the price per share calculated on the basis of net assets valued by a valuer whose name appears on the list of SBP approved list of valuers.

(2) If the shares are not frequently traded, the public announcement of offer to acquire shares under section 5 or section 6 of the Ordinance shall be at the price which is highest amongst the following, -

- (a) the negotiated weighted average price under a share purchase agreement for the acquisition of voting shares of the target company;
- (b) the highest price paid by the acquirer or persons acting in concert with the acquirer for acquiring the voting shares of target company during six months prior to the date of public announcement of offer; or
- (c) the price per share calculated on the basis of net assets valued, not earlier than six months before the date of such valuation, by a valuer whose name appears on the list of SBP approved list of valuers.

Explanation:- For the purpose of this Regulation, shares shall be deemed to be frequently traded if they have been traded for at least 80 percent of the trading days during six months prior to the date of public announcement of offer and their average daily trading volume in the ready market is not less than 0.5 percent of its free float or 100,000 shares whichever is higher.

14. Number of voting shares to be acquired. – (1) The acquirer may acquire any number of voting shares through an agreement but where the acquisition attracts the provisions of section 5 or section 6 of the Ordinance the acquirer shall make a public announcement of offer to acquire at least fifty percent of the remaining voting shares of the target company.

(2) Where the public offer is made conditional upon minimum level of acceptances, such minimum level shall not be more than thirty five percent of the remaining voting shares.

Illustration:- Where the acquirer holds 15 percent voting shares of the target company and enters into an agreement to acquire another 15 percent voting shares, then such acquirer shall make a public announcement of offer fifty percent of the remaining 70 percent voting shares of the target company. In such a case the minimum level of acceptances for the public offer cannot be more than 24.5 percent which is 35 percent of the 70 percent offered to be acquired through the public offer.

15. The mode of payment. - The consideration for the voting shares to be acquired by the acquirer shall be payable, –

- (a) in cash through a bank account;
- (b) if the acquirer is a listed company, by issue, exchange or transfer of shares of the acquirer, in dematerialized form;
- (c) by issue, exchange, or transfer of any debt security of the acquirer with a minimum 'A' grade rating from a credit rating agency registered with the Commission; or
- (d) a combination of any of the above.

16. Procedure for payment. – (1) Where the consideration for the voting shares to be acquired is in the form of cash, the acquirer shall open a special bank account in terms of

section 20(1) of the Ordinance and deposit therein the entire sum due and payable to the shareholders who have tendered their shares in acceptance of the public offer.

(2) Where the consideration for the voting shares to be acquired is in the form of securities,-

- (a) the value of such securities shall be determined by a firm of chartered accountants having satisfactory quality control review rating or an investment bank having a minimum credit rating of “A”;
- (b) if the issuance of securities offered as consideration require the approval of the board of directors or the shareholders of the acquirer company, such approval shall be obtained by the acquirer prior to the date of making the public announcement of offer along with any other approvals required under the law;
- (c) the manager to the offer shall open a separate CDC account for the deposit of the consideration by the acquirer; and
- (d) such consideration shall be transferred to the shareholders of the target company through the central depository system.

Chapter VI

Withdrawals

17. Withdrawal of public announcement of intention. – (1) A public announcement of intention may be withdrawn, -

- (a) where the sole acquirer is a natural person, he has died or has been declared bankrupt or of unsound mind;
- (b) if negotiations to acquire voting shares of the target company have failed;
- (c) where the due diligence conducted for the acquisition of shares of the target company by the acquirer is unfavourable;
- (d) where the acquirer is a company, -
 - (i) it has gone into liquidation;
 - (ii) its board of directors passes a resolution not to acquire the voting shares of the target company; or

- (e) the time period for making the public announcement of offer and extension thereof, if granted, has lapsed.

(2) In the event of withdrawal of the public announcement of intention under any of the circumstances specified under Regulation 17(1), the acquirer or the manager to the offer, shall immediately, -

- (a) make a public announcement of withdrawal in all the newspapers in which the public announcement of intention was made and disclose reasons for withdrawal; and
- (b) along with reasons inform the Commission, the stock exchange on which the voting shares of the target company are listed and the target company at its registered office simultaneous with the issue of such public announcement of withdrawal.

18. Withdrawal of public offer.- (1) Notwithstanding the provisions of section 18 of the Ordinance, a public offer once made, may be withdrawn, -

- (a) in case where the acquirer is a company upon its insolvency; or
- (b) in case where the sole acquirer is a natural person, he has been declared bankrupt or of unsound mind; or
- (c) where the minimum level, if any, indicated in the public offer has not been reached and the acquirer intends to withdraw the public offer.

(2) Where there is a withdrawal of public offer and the acquirer has, -

- (a) crossed the twenty-five percent threshold as a consequence of acquiring voting shares pursuant to an agreement, such acquirer shall immediately reduce the number of voting shares held by the acquirer to less than twenty-five percent;
- (b) gained control of the target company as a consequence of acquiring voting shares pursuant to an agreement, such acquirer shall immediately sell his shareholding in order to give up the control of the target company; or
- (c) made a transaction which attracts the provision of section 6 of the Ordinance, the acquirer shall reduce shareholding to the position held by the acquirer before such transaction.

(3) Where there is a withdrawal of public offer, the manager to the offer shall, -

- (a) return the shares, if any, tendered by the shareholders of the target company to the respective shareholders of the target company within a period of three working days from the date of the public announcement of withdrawal in the newspapers; and
- (b) thereafter release the security deposited by the acquirer to the acquirer or the Court in case of insolvency or bankruptcy of the acquirer or as the case may be.

Chapter VII

Security

19. Provision of security. - (1) The acquirer shall by way of security, for performance of obligations under the public offer, provide such form of acceptable security in the name of manager to the offer as prescribed in Regulation 19(2).

(2) The security referred in Regulation 19(1) shall be provided by the acquirer on or before the date of issue of public announcement of offer and shall be in either of the following forms, -

- (a) cash, deposited with a commercial bank with a minimum credit rating of “A”;

Explanation: Where the security is in the form of a cash deposit with a commercial bank, the acquirer shall open an escrow account operated by the manager to the offer;

- (b) bank guarantee, which in case the public announcement of offer is upto rupees one billion shall be in favor of the manager to the offer from a commercial bank with a minimum short term credit rating of “A2” and valid till all obligations of the acquirer are fulfilled as certified by the manager to the offer;
- (c) bank guarantee, which in case the public announcement of offer is exceeding rupees one billion shall be in favor of the manager to the offer from a commercial bank with a minimum short term credit rating of “A1” and valid till all obligations of the acquirer are fulfilled as certified by the manager to the offer; or

- (d) deposit of acceptable securities in a CDC account in the name of the manager to the offer:

Provided that where the acceptable securities are in the form of TFC's or government securities, a twenty-five percent additional margin shall be deposited as security and where the acceptable securities are in the form of shares of KSE 30 index companies they shall have a thirty percent hair cut based on their market value during the offer period. The manager to the offer shall mark to market the securities deposited by the acquirer on a weekly basis and any shortfall after mark to market shall be notified by the manager to offer to the acquirer in the form of margin call and the acquirer shall deposit the shortfall on the same day of the receipt of the margin call from the manager to the offer.

Explanation: The acquirer shall empower the manager to the offer to realize the value of such security by sale or otherwise and if there is any deficit in realization of the value of the security the acquirer shall be liable to make good any such deficit.

- (3) In case there is any upward revision of offer the security deposited shall be increased in the same proportion.

20 Release of security. - (1) The security deposited by the acquirer shall be released by the manger to the offer, within a period of seven working days, -

- (a) after all payments to the shareholders have been made and completion of all obligations of the acquirer under the Ordinance and these Regulations; and
- (b) in the case of withdrawal of public offer, upon certification by the manager to the offer that the offer has been validly withdrawn.

(2) In the event of non-fulfillment of obligations by the acquirer the manager to the offer shall realize the security amount by way of withdrawal of cash, foreclosure of deposit, invocation of bank guarantee or sale of the acceptable securities and the proceeds so obtained shall be utilized by the manager to offer to meet all obligations under the Ordinance and these Regulations.

- (3) Where the security is not released by the manager to the offer with seven days the manager to the offer shall pay a surcharge at the rate of 6 months KIBOR + 4 percent.

Chapter VIII

Miscellaneous

21. Acceptance of public offer – (1) The acquirer through an advertisement in the newspapers in which the public announcement of offer or competitive bid, as the case may be, was published, shall inform the shareholders of the target company of the commencement of the acceptance period.

(2) The advertisement referred to in Regulation 21(1) shall be in the form prescribed under scheduled VI.

(3) The shareholders of the target company may accept the public offer during the acceptance period by tendering their shares physically to the manager to the offer or in a designated CDC account specified for the purpose in the public announcement of offer.

(4) Convertible security holder intending to accept the public offer shall convert their securities into shares and tender the same to the manager to the offer during the acceptance period in the designated CDC account.

(5) The custodians of Global Depository Receipts holders or American Depository Receipts holders shall upon the request of the respective holders convert the Global Depository Receipts or American Depository Receipts, as the case may be, into shares and tender the same to the manager to the offer during the acceptance period in the designated CDC account.

(6) The manager to the offer shall send a written confirmation of receipt to the custodians of Global Depository Receipts holders or American Depository Receipts holders, the shareholders of the target company and convertible security holders who have tendered their shares to the manager to the offer as acceptance of the public announcement of offer.

22. Competitive Bid.- (1) The first and subsequent competitive bids, if any, have to be made within twenty-one days of the public announcement of the first offer.

(2) The public announcement of competitive bid shall be made in accordance with the provisions of section 9 of the Ordinance and in the same newspapers in which the first public announcement of offer was published.

(3) The public announcement of a competitive bid shall contain the information as prescribed in schedule IV.

(4) Where competitive bid(s) has been made, the manager to the offer of the competitive bidder(s) and the manager to the offer of the person who made the first public announcement of offer shall jointly, one day before the commencement of the acceptance period for the public offer, publish a comparative statement containing details of the first public announcement of the offer and subsequent competitive bid(s) in the same newspapers in which the first public announcement of offer and the competitive bid(s) was published.

23. Offer Timetable – The acquirer, manager to the offer, target company or any person making a competitive bid shall comply with the offer timetable as prescribed under schedule VIII.

24. Penalty - If any person contravenes or otherwise fails to comply with any of the provisions of these Regulations, the Commission may, if satisfied, after giving the person an opportunity of being heard, that the contravention or failure was willful, impose a penalty which may extend to thirty million rupees and, in the case of a continuing default, a further sum calculated at the rate of one hundred thousand rupees for every day, after the first day during which the failure or contravention continues.

(2) Any penalty imposed under this Regulation may be recoverable as arrears of land revenue.

No.2(143)LD/SMD/08

(Abdul Rehman Qureshi)
Advisor / Secretary

Schedule I
OFFER LETTER

[To be sent by the acquirer under section 13(2) of the Ordinance]

.....[Date]

To: [Name of the eligible shareholder]

Subject: Purchase of shares of (name of the target company)

Dear Sir,

In pursuance of the public announcement of offer made by us and published in the daily[name of Urdu Newspaper(s)] and.....[name of English Newspaper(s)] on.....[date of publication of the public announcement of offer] this is to inform you that we intend to acquire [___% voting shares of the target company] or [control of the target company ____]. Therefore, we are making an offer to you for the acquisition of your[number of shares] of the[name of the target company].

2. In pursuance of our obligations under the Listed Companies (Substantial Acquisition of Voting Shares and Take-Overs) Ordinance, 2002 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2008 you are hereby, being made an offer to sell your[number of shares] of[name of the target company] at Rs. _____per share to[name of the Acquirer] (the “Acquirer”). The public announcement of offer containing detailed information can be viewed at our website i.e.

3. The offer is valid until _____. You may accept the offer between _____to _____by tendering your shares to the manager to the offer in[details of the CDC account specified for the purpose].

4. All payments through [mode of payment] against shares accepted by the acquirer will be made within a period of not more than 30 days from date of closure of the acceptance period.

5. In case of any query regarding the public announcement of offer, you may contact the acquirer or the manager to the offer at the following Address:

[Address along with phone, fax and E-mail address of the Acquirer]

[Address along with phone, fax and E-mail address of the Manager to the Offer]

[Where the acquirer is a company]

The directors of the acquirer accept all responsibility for the information contained in this offer letter.

Yours truly,

.....

[name of the acquirer]

Schedule II

Disclosure required under Regulation 4

[This list is not intended to be exhaustive. The acquirer must disclose any information which is important to the shareholders of the company of which the shares have been acquired]

If acquirer(s) is a company

- Name and registered address of the acquirer.
- CUIIN or in the case of a foreign company its registration number.
- Date and jurisdiction of incorporation.
- The authorized and issued share capital.
- If there is more than one acquirer, their relationship.
- Total number of voting shares of the target company held by the acquirer after acquisition, along with a breakup of what was held and what has been acquired.
- Financial advisors of the acquirer.
- Brief history and major areas of operations of the acquirer.
- Names and addresses of sponsors or persons having control over the acquirer.
- Names and addresses of board of directors of acquirer(s).
- Mode of acquisition.
- Price per share paid for the acquisition, where paid.

If acquirer(s) is an individual

- Name(s) and address(es) of each acquirer.
- CNIC number(s) or Passport or NICOP number.
- Total number of voting shares of the target company held by the acquirer after acquisition, along with a breakup of what was held and what has been acquired.
- Mode of acquisition.
- Price per share paid for the acquisition, where paid.

Schedule III
[Regulation 6 (4)]

**Public announcement of intention to acquire% shares or control of
the (Name of Target Company)
By
(Name of the Acquirer)
Under
Listed Companies (Substantial Acquisitions of Voting Shares and Take-overs)
Ordinance, 2002**

1) Information about the acquirer

- (a) Name(s) and Address(s) of acquirer along with persons acting in concert, if any.
- (b) The Name(s) and Address(s) of financial advisors of the acquirer, if any.
- (c) In case the acquirer is a company(s):
 - (i) Names of the chief executive and directors of the company(s); and
 - (ii) Names of major shareholders of the company.

2) Information about the target company

- a) Name of the target company, its directors and major shareholders.
- b) Total number of issued shares of the company.

3) Number of shares already held by the acquirer, if any.

4) Number of shares along with the percentage intended to be acquired by the acquirer through public offer or agreement.

Schedule IV

[Regulations 8 (2) and 22 (3)]

Standard document for public announcement of offer or competitive bid

[This list is not intended to be exhaustive. The acquirer is obliged to disclose any information which may be necessary for the shareholders of the target company to make an informed decision. Care shall be taken by the manager to the offer that the document is simply worded and technical, legal or financial jargons are not used unnecessarily.]

The following information shall be disclosed:

1. THE ACQUIRER

1.1. If acquirer(s) is a company

- Name and registered address of the acquirer.
- Date and jurisdiction of incorporation.
- The authorized and issued share capital.
- If there is more than one acquirer, their relationship.
- Total number of voting shares of the target company already held by the acquirer, including any shares purchased through an agreement and relevant details of such agreement, including the share price agreed.
- The number of shares issued since the end of the last financial year of the company.
- Details of any re-organization of the acquirer during the two financial years preceding the public announcement of offer.
- Details of any bank overdrafts or loans, or other similar indebtedness, mortgages, charges or other material contingent liabilities of the acquirer and subsidiaries if any, and if there are no such liabilities a statement to that effect.
- Financial advisors of the acquirer.
- Brief history and major areas of operations of the acquirer.
- Names and addresses of sponsors or persons having control over the acquirer.
- Names and addresses of board of directors of acquirer(s).

- Brief audited financial details of the acquirer(s) for a period of at least last five years including income, expenditure, profit before depreciation, interest and tax, depreciation, profit before and after tax, provision for tax, dividends, earnings per share, return on net worth and book value per share.
- Details of any agreement or arrangement between the acquirer and the directors of the target company about any benefit which will be given to any director of the target company as compensation for loss of office or otherwise in connection with the acquisition.
- Details of every material contract entered into not more than two years before the date of the public announcement of offer, not being a contract entered into in the ordinary course of business carried on or intended to be carried on by the company.

1.2 If acquirer(s) is an individual

- Name(s) and address(es) of each individual along with the persons acting in concert.
- CNIC number(s).
- If there are more than one acquirer their relationship, if any.
- Total number of voting shares of the target company already held by the acquirer, including any shares purchased through an agreement and relevant details of such agreement including the share price agreed.
- Financial advisors of the acquirer, if any.
- Principal areas of business of the acquirer and relevant experience.
- Details of any bank overdrafts or loans, or other similar indebtedness, mortgages, charges or other material contingent liabilities of the acquirer.
- Details if the acquirer is a director on the board of directors of any listed company(s).
- Details of any agreement or arrangement between the acquirer and the directors of the target company about any benefit which will be given to any director of the target company as compensation for loss of office or otherwise in connection with the acquisition.

2. DETAILS OF THE PUBLIC OFFER

- The names, dates and editions of the newspapers where the public announcement of intention was published.
- The number and percentage of shares proposed to be acquired by the acquirer(s) from the shareholders through agreement, if any, the offer price per share and the mode of payment of consideration for the shares to be acquired.
- Reasons for acquiring shares or control of the target company.
- Details regarding the future plan for the target company, including whether after acquisition the target company would continue as a listed company or not.
- In case of conditional offer, specify the minimum level of acceptance i.e. number and percentage shares.
- In case there is any agreement with the present management, promoters or existing shareholders of the target company, an overview of the important features of the agreement(s) including acquisition price per share, number and percentage of shares to be acquired under the agreement(s), name of the seller(s), complete addresses of sellers, names of parties to the agreement(s), date of agreement(s), manner of payment of consideration, additional important information, if any.
- Number of shares already held by the acquirer along with the date(s) of acquisition. Also state whether it was purchased through open market or acquired through a negotiated deal.
- Minimum level of acceptance, if any.

3. OFFER PRICE AND FINANCIAL ARRANGEMENTS

3.1 Justification for the offer price

- Disclosure about the form of consideration for the shares to be acquired through the public offer.
- Disclosure of the total amount of consideration to be paid for the shares to be tendered during the public offer (assuming full acceptances).
- Whether the shares of the target company are frequently traded or infrequently traded in the light of criteria prescribed in Regulation 13 of these Regulations.
- Justification for the offer price for the shares of the target company, in the light of criteria contained in Regulation 13 of these Regulations.

3.2 Financial arrangements

- Disclosure about the security arrangement made in pursuance of Section 19 of the Ordinance.
- Disclosure about the adequate and firm financial resources to fulfill the obligations under the public offer.
- A statement by the manager to the offer that the manager to the offer is satisfied about the ability of the acquirer to implement the public offer in accordance with the requirements of the Ordinance and these Regulations.

4. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- Detailed procedure for acceptance of offer by shareholder of the target company.
- Details of the CDC account in which shares are required to be tendered by eligible shareholders on acceptance during the acceptance period.

5. STATEMENTS BY THE ACQUIRERS

- Statement by the acquirer for assuming responsibility for the information contained in the document (in the case where the acquirer is a company such a statement shall be made by the directors of the company).
- A statement by the acquirer to the effect that each of the acquirers including persons in concert, if any, will be severally and jointly responsible for ensuring compliance with the Ordinance and the Regulations.
- A statement by the acquirer that the public offer is being made to all the shareholders who have voting shares of the target company and (except the persons acting in concert with acquirers) whose names appear in the register of shareholders as on the date of book closure.
- A statement by the acquirer that all statutory approvals for the public offer have been obtained.
- Disclosure as to whether relevant provisions of the Ordinance and the Regulations have been complied with.
- A statement to the fact if any director(s) of the acquirer is also a director on the board of directors of target company.
- A statement by the acquirer as to whether or not any voting shares acquired in pursuance to the public offer shall be transferred to another person and if that is the case the names of such persons shall be disclosed.

6. DISCLAIMER CLAUSE

The following disclaimer clause shall be given on the first page:

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DOCUMENT OF PUBLIC OFFER WITH THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY THE COMMISSION. THIS DOCUMENT HAS BEEN SUBMITTED TO THE COMMISSION FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE LAW/REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF [NAME OF THE TARGET CO.] TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER(S) OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DOCUMENT. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT THE ACQUIRER(S) IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DOCUMENT. THE MANAGER TO THE OFFER (INDICATE NAME) IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER(S) DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. FOR THIS PURPOSE, THE MANAGER TO THE OFFER HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED TO THE COMMISSION IN ACCORDANCE WITH THE LISTED COMPANIES(SUBSTANTIAL ACQUISITION OF VOTING SHARES AND TAKE-OVERS) ORDINANCE, 2002 (THE “ORDINANCE”)”.

Signature

With name Designation and stamp

Date -----

Place -----

Note:

This document shall be signed by the acquirer(s).

Schedule V

[Section 15(1)(e) of the Ordinance]

DUE DILIGENCE CERTIFICATE

Sub: Public Offer to Acquire (Number of Shares) shares (%) of (Name of the target company) at an Offer price of Rs. _____ per share by (Name of the acquirer)

1. *The (acquirer) vide letter dated has appointed us, as manager to the offer, in terms of Section 7(1) of the Listed Companies (Substantial Acquisition of Voting Shares and Take-Over) Ordinance 2002 (the Ordinance).*
2. *The Public announcement for the captioned offer in terms of Section 5 or 6 of the Ordinance will be made on _____.*

In this regard, we, the manager to the offer, have examined various relevant documents and confirm the following.

- a. The acquirer is able to implement the offer.
- b. The acquirer has created security on.....in accordance with Section 19 of the Ordinance and the Regulations framed thereunder.
- c. The acquirer has authorized us to realize the value of security in terms of the Ordinance and the Regulations.
- d. Firm financial arrangements are in place to fulfill the obligation of the acquirer under the public offer.
- e. Contents of the public announcement of offer as well as the offer letter are correct, fair and adequate and are based on reliable sources.

We also confirm that -

- a. We are a Bank or Financial Institution or a Member of a stock exchange in terms of Section 7(1) of the Ordinance;
 - b. We are not an associate, or group of the acquirer or the target company;
 - c. The public announcement and the draft offer letter forwarded to the Commission are in conformity with the Ordinance and Regulations.
3. *The disclosures made in the public announcement of offer and in the offer letter are true, fair and adequate to enable the investors to make a well informed decision.*

4. *As a manager to the offer, it shall be our duty to ensure compliance with the Ordinance, Regulations and any other laws or Regulations as may be applicable, in this regard.*

5. *No material information which is necessary for the shareholders of the target company to make an informed decision has been concealed or withheld in the public announcement of offer or the offer letter.*

Manager to the offer

Date

Place

with his/ their seal.

Schedule VI

[Under Regulation 21 (2)]

[Should be published in the manner stated in
section 9 (1) of the Ordinance one day before commencement of the acceptance period]

**Public announcement informing
the shareholders of the target company of the commencement of acceptance period**

Reference public announcement of offer made by[the Acquirer] in
daily.....&..... on.....[date]

It is hereby informed that the acceptance period for the acquisition of shares of
.....[the name Target company] will commence from and will end
on.....

All shareholders who intend to tender their shares of[the name Target
company] are invited to tender their shares to the manager to the offer in
.....[details of the CDC account] on or before..... [time] on[date]

[Name, Address and phone numbers of the Acquirer]

Schedule VII
[Regulation 8(4)]

Documents to be submitted along with public announcement of offer

| S. No. | Document |
|--------|--|
| i. | Copy of the agreement, if any, for the acquisition of shares and/or control of the target company. |
| ii. | Undertaking on a non-judicial stamp paper by the manager to the offer confirming that it fulfills the requirements of Section 7 of the Listed Companies (Substantial Acquisition of Voting Shares and Take-Overs) Ordinance, 2002 and the Regulations made thereunder. |
| iii. | Undertaking on a non-judicial stamp paper by the manager to the offer confirming that it shall comply with all its obligations under the Listed Companies (Substantial Acquisition of Voting Shares and Take-Overs) Ordinance, 2002 and the Regulations made thereunder. |
| iv. | Undertaking on a non-judicial stamp paper by the acquirer that the acquirer shall comply with all the obligations of the acquirer under the Listed Companies (Substantial Acquisition of Voting Shares and Take-Overs) Ordinance, 2002 and Regulations made thereunder. |
| v. | Evidence that security has been created as required under Section 19 of the Listed Companies (Substantial Acquisition of Voting Shares and Take-Overs) Ordinance, 2002 and Regulation 16 of the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2008. |
| vi. | Copy of latest pattern of shareholding of the target company. |
| vii. | Documentary evidence for the information disclosed under Schedule III. |

Schedule VIII
[Regulation 23]
Offer Timetable

T - 180 to T

Appointment of the manager to the offer before making any public announcement. (see section 7 of the Ordinance)

Notice of public announcement of intention to the Commission as required under sections 8(1) read with sections 9(3) and 9(4) of the Ordinance.

Public announcement of intention in accordance with section 9(1) of the Ordinance.

Sign agreement, if any, to acquire shares.

Disclosures, if any, by the target company required under Regulation 5.

Compliance by the manager to the offer with the provisions of section 15(1) of the Ordinance.

Disclosures in the manner specified in section 4 of the Ordinance.

T - 2

Compliance with the provisions of sections 9(3) and 9(4) of the Ordinance.

T

Public announcement of offer in accordance with the Ordinance and the Regulations.

Final date for the creation of security for the public offer. (see section 13(8) of the Ordinance)

T to T+2

Compliance with the provision of section 13(1) of the Ordinance.

T + 21

Last date for making a competing bid. Competing bids may be made anytime from T to T+21 (21-days). If there is a competitive bid see section 16(4) of the Ordinance.

T + 22

Notice to stock exchange(s) for book closure dates.

| | |
|---------------|--|
| T + 36 | Spot trading commences for 7 days. |
| T + 43 | Book closure for seven days. |
| T + 50 | Final date for the target company to provide the list of members to the acquirers for sending offer letters. Final date for sending the list of custodians of Global Depository Receipts or American Depository Receipts to the target company. Final date for providing the list of convertible security holders to the acquirer under section 14(2) of the Ordinance. |
| T+ 51 | Acquirer or manager to the offer on the acquirer's behalf to issue offer letters to all registered shareholders entitled to accept the offer. Also acquirer to send a copy of the offer letter to the custodians of Global Depository Receipts or American Depository Receipts and convertible security holders, where the conversion period falls within the offer period. (see sections 13(2) and 13(3) of the Ordinance.) |
| T + 52 | Advertisement in the newspapers by the acquirer for submission of acceptances. (see Regulation 21) |
| T+ 53 | Final date for acquirer to make an upward revision in earlier offer price. The managers to the offer to publish a comparative analysis in accordance with Regulation 22(4). |
| T+ 54 | Acceptance period for the public offer commences. |
| T+ 60 | Public offer expires. Last date for acceptance of offer by shareholders and convertible security holders. |
| T+81 | Final date for the opening of account in accordance with section 20(1) of the Ordinance. |

- T+ 90** Subject to the proviso of section 13(1) the final date for completion of all procedures relating to public offer by the acquirer including payment of consideration to shareholders who have accepted the public offer. (see section 13(10) of the Ordinance)
- T+ 91** Final date for the manager to the offer to certify that the acquirer has fulfilled all obligations of the acquirer under the Ordinance and the Regulations.
- T + 92** Final date for the BOD of the target company to transfer securities acquired by the acquirer whether through agreement or open market purchases. (see section 14(6) of the Ordinance)
- T+ 93** Final date for the acquirer to serve a notice on the BOD of the target company, under section 14(9) of the Ordinance. Copy to be sent to the Commission.
- T+104** Final date for the meeting of the BOD of the target company to be held. [This date may vary a few days depending upon the receipt of notice under. See section 14(10) of the Ordinance]
- T+ 105** Final date for the manager to the offer to send a report to the Commission under section 15(2)(c) of the Ordinance.
- The acquirer may serve a notice upon the target company under section 14(12) of the Ordinance.
- T+135** Final date for holding the election of directors of the target company as a consequence of the notice served under section 14(12) of the Ordinance. [This date may vary a few days depending upon the receipt of notice under. See section 14(13) of the Ordinance]

**T+ election of
directors until 7
days thereafter**

The acquirer may bring irregularities, if any, to the notice of the Commission.

T + 263

Final date for the refund of balance under section 20(2) of the Ordinance. [This date may vary a few days depending upon opening of account under section 20(1) of the Ordinance.]
